

# **Press Release**

**Office of the Kansas Securities Commissioner  
618 S. Kansas Avenue  
Topeka, Kansas 66603-3804**

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## **Former Wichita Investment Adviser Representative, Stephen C. Langhofer, Convicted of Securities Fraud**

TOPEKA, KANSAS – Securities Commissioner Chris Biggs announced today that Wichita resident Stephen C. Langhofer was convicted in Sedgwick County District Court for violations of the Kansas Uniform Securities Act. Langhofer, 59, was convicted of two felony counts of securities fraud, resulting from Langhofer's role in selling stock in a local small business called Streamtrax Visual Communication Technologies, Inc. Sentencing is scheduled for May 16, 2008.

Investigation by the Securities Commissioner's office revealed that Langhofer purchased stock in Streamtrax, formerly Greatrax, LLC, and then resold his shares to his investment advisory clients at a profit of up to 600 percent. Under the Kansas Uniform Securities Act, investment advisers owe a fiduciary duty to their clients and must put the financial interests of the client above their own. Langhofer, owner of the investment advisory firm, Langhofer Financial Group, Inc., sold his stock in Greatrax to Kansas investors at the inflated prices of \$2.50 and \$3.00 per share but failed to disclose to his clients that the stock was available for purchase from Greatrax for \$.50 per share. Langhofer further failed to disclose that he had loaned the company \$180,000 so that Streamtrax could meet its financial obligations as to payroll.

Langhofer faces up to 68 months in prison and restitution to victim investors of over \$700,000. The maximum fine for each count is \$100,000.

The successful investigation and prosecution of Mr. Langhofer was done with the assistance and cooperation of Nola Tedesco Foulston and the Sedgwick County District Attorney's Office.

The Office of the Kansas Securities Commissioner investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit <http://www.securities.state.ks.us>.